

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MINIMUM RATE PRICING, INC.)	
)	
ALLEGED VIOLATION(S) OF KRS 278.535)	CASE NO. 99-327
SWITCHING OF TELECOMMUNICATIONS)	
PROVIDER)	

O R D E R

Minimum Rate Pricing, Inc. (MRP) is a communications provider as defined in KRS 278.535(1)(a), is authorized to do business in Kentucky, and is subject to the Commission's jurisdiction. On August 16, 1996, MRP filed with the Commission its initial schedule of rates and services (tariff). MRP's tariff became effective on September 8, 1996. Records of the Office of the Secretary of State of the Commonwealth of Kentucky reflect that MRP, identification number 0421531, was originally authorized to do business in the state of Kentucky on or about September 18, 1996. A second authorization to do business in the state of Kentucky was issued on or about November 23, 1998, identification number 0465190. Said records state that the registered agent for MRP is National Registered Agents, Inc., 400 West Market Street, Suite 1800, Louisville, Kentucky 40202; that MRP's president is Thomas Salzano and its secretary is Adam Kolochoy; and that MRP's principal office is located at 300 Broadacres Drive, Bloomfield, New Jersey 07003. The Commission Staff has records indicating that the Post Office Box address is 8000.

KRS 278.535(7) prescribes specific statutory procedures for the proper changing of the primary telecommunications carrier of a customer.

COUNT I

1. On or about September 23, 1998, Charlett Hamby reported to Commission Staff by telephone that her long-distance exchange carrier had been changed from her selected choice to MRP without her authority or permission. Ms. Hamby's telephone number is 502/821-8497.

2. By letter dated May 21, 1999, MRP was notified of the complaint received by Commission Staff from Ms. Hamby. A long-distance carrier change was made in her service by or on behalf of MRP that was unauthorized. The letter requested that MRP provide to Commission Staff appropriate evidence that the long-distance carrier change was authorized by Ms. Hamby. KRS 278.535(2) places the burden of proof on MRP to show that Ms. Hamby knowingly authorized the carrier change. MRP was unable to provide the requisite statutory proof that the long-distance carrier change in Ms. Hamby's service was properly authorized. A copy of said letter is attached hereto and marked Appendix Count I.

3. Commission Staff, after investigation, has been unable to obtain or secure any written authorization or electronically recorded authorization of Ms. Hamby that properly authorized the carrier change.

COUNT II

1. On or about March 9, 1999, Lisa M. Walters reported to Commission Staff by telephone that her long-distance exchange carrier had been changed from Excel

Telecommunications, Inc. to MRP without her authority or permission. Ms. Walters' telephone number is 502/781-0761.

2. KRS 278.535(2) places the burden of proof on MRP to show that Ms. Walters knowingly authorized the carrier change. MRP was unable to provide the requisite statutory proof that the carrier change in Ms. Walters' service was properly authorized.

3. Commission Staff, after investigation, has been unable to obtain or secure any written authorization or electronically recorded authorization of Ms. Walters that properly authorized the carrier change.

The Commission, based upon the foregoing facts as set out in Count I and Count II, finds sufficient evidence to believe that MRP has violated KRS 278.535.

The Commission, on its own motion, HEREBY ORDERS that:

1. MRP shall submit to the Commission within 20 days of the date of receipt of this Order a response to the allegations contained in Count I and Count II above.

2. MRP shall appear on November 30, 1999 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky for the purpose of presenting evidence in each Count herein regarding the alleged violations of KRS 278.535, and showing cause, if any, why it should not be subject to the penalties prescribed in KRS 278.535(6).

3. The letter attached hereto and marked Appendix Count I is made a part of the record herein.

4. Any request for informal conference with Commission Staff to consider any matter which would expedite the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of receipt of this Order.

Done at Frankfort, Kentucky, this 12th day of August, 1999.

By the Commission

ATTEST:

Executive Director